UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
Criminal No. 16-257-08 (DWF/TNL)

UNITED STATES OF AMERICA,

Plaintiff,

v.

ANDREW FLANIGAN,

Defendant.

PLEA AGREEMENT AND SENTENCING STIPULATIONS

The United States of America and defendant Andrew Flanigan (hereinafter referred to as the "defendant") agree to resolve this case on the terms and conditions that follow. This plea agreement binds only the defendant and the United States Attorney's Office for the District of Minnesota. This agreement does not bind any other United States Attorney's Office or any other federal or state agency.

1. **Charges.** The defendant agrees to plead guilty to Count 4 of the Superseding Indictment, which charges the defendant with Conspiracy To Commit Transportation To Engage in Prostitution, in violation of Title 18, United States Code, Sections 2421 and 371, and Count 6 of the Superseding Indictment, which charges the defendant with Conspiracy to Engage in Money Laundering, in violation of Title 18, United States Code, Section 1956(h). The defendant fully understands the nature and elements of the crimes with which he has been charged. At the time of sentencing, the government agrees to move

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to dismiss the remaining counts of the Superseding Indictment against the defendant.

2. **Factual Basis.** The defendant is pleading guilty because he is in fact guilty of Count 4 and Count 6 of the Superseding Indictment. In pleading guilty, the defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt and constitute relevant conduct pursuant to the United States Sentencing Guidelines:

The defendant was a part of a large-scale international sex trafficking organization that conspired to make money, between at least 2009 and 2016, by arranging for Thai women (the "victims") to travel from Thailand to the United States, to engage in innumerable commercial sex acts. Once in the United States, the victims would travel to various states, including Minnesota, to stay in "houses of prostitution" (apartments, houses and/or hotels), where they would be required to engage in innumerable commercial sex acts. The victims performed these sex acts to work off a "bondage debt." When members of the conspiracy in Thailand recruited the victims, who were typically from impoverished backgrounds, to travel to the United States, the victims were required to enter into a debt bondage contract to pay for their visas and travel. The bondage debt was typically between $40,000 and $60,000 and far exceeded the actual expenses incurred by the trafficker.

The defendant's involvement ranged from 2010 through 2016. The defendant became involved in the organization after meeting his now-wife, co-defendant Chabaprai Boonluea. Boonluea began as a victim with the organization and eventually rose within the organization to become a house boss in Atlanta, Georgia. The defendant acted as a facilitator with the organization, assisting Boonluea and other members of the criminal conspiracy with operations. The defendant knew that the international criminal organization operated by bringing victims to the United States under overwhelming bondage debts and that the victims paid off these bondage debts by engaging in commercial sex acts at various houses of prostitution across the United States.

The defendant conspired with various members of the criminal organization, including Boonluea, to assist the organization in a number of ways. One of the ways the defendant assisted the organization was to transport women to various houses of prostitution across the United States, where the women would engage in commercial sex acts for the benefit of the criminal organization. Specifically, the defendant purchased flights for victims of the organization, including victims who were trafficked in Minnesota, to travel to various houses of prostitution across the United States where they would engage in commercial sex acts to benefit the criminal organization. The defendant acknowledges and agrees that, as a part of the criminal conspiracy and as set forth in Count 4 of the Superseding Indictment, Victim 1, Victim 2, and Victim 3 were all transported interstate, to Minneapolis, Minnesota, for purposes of engaging in prostitution activities at the direction of and for the benefit of the trafficking organization.

The defendant also assisted the criminal organization by engaging in money laundering activities at the direction of and for the benefit of the criminal organization. Specifically, as set forth in Count 6 of the Superseding Indictment, the defendant conspired with members of the criminal organization, including Boonluea, to conduct financial transactions affecting interstate commerce where the purpose of the transactions was (1) to conceal and disguise the nature, location, source, ownership and control of the money, which the defendant knew was derived from illegal commercial sex acts committed in violation of Title 18, United States Code, Sections 2421 and 1591, and (2) to further promote the same illegal commercial sex activities for the benefit of the criminal organization. Indeed, on more than ten occasions, the defendant wired illegal proceeds of the criminal organization from the United States to Thailand.

The defendant knowingly and voluntarily participated in the criminal conspiracy to traffic Thai women for commercial sex and in the criminal conspiracy to engage in money laundering.

3. **Waiver of Pretrial Motions.** The defendant understands and agrees that the defendant has certain rights to file pre-trial motions in this case. As part of this plea agreement, and based upon the concessions of the United States within this plea agreement, the defendant knowingly, willingly, and voluntarily gives up the right to file pre-trial motions in this case.

4. **Statutory Penalties.** The defendant understands that Count 4 of the Superseding Indictment (Conspiracy To Commit Transportation To Engage in Prostitution, in violation of Title 18, United States Code, Sections 2421 and 371) carries the following maximum statutory penalties:

a. a maximum of 5 years in prison;

b. a supervised release term of at least 5 years up to life;

c. a maximum fine of $250,000;

d. $5,000 to the Domestic Trafficking Victims' Fund;

e. mandatory restitution in an amount to be determined by the Court; and

f. a mandatory special assessment of $100.

The defendant understands that Count 6 of the Superseding Indictment (Conspiracy to Engage in Money Laundering, in violation of Title 18, United States Code, Section 1956(h)) carries the following maximum statutory penalties:

a. a maximum of 20 years in prison;

b. a maximum supervised release term of 3 years;

c. a maximum fine of $500,000 or twice the value of the property involved in the transaction, whichever is greater;

d. mandatory restitution in an amount to be determined by the Court; and

e. a mandatory special assessment of $100.

5. **Revocation of Supervised Release.** The defendant understands that if he were to violate any condition of supervised release, the defendant could be sentenced to an additional term of imprisonment up to the length of the original supervised release term, subject to the statutory maximums set forth in 18 U.S.C. § 3583.

6. **Guidelines Calculations.** The parties acknowledge that the defendant will be sentenced in accordance with 18 U.S.C. § 3551, *et seq.* Nothing in this plea agreement should be construed to limit the parties from presenting any and all relevant evidence to the Court at sentencing. The parties also acknowledge that the Court will consider the United States Sentencing Guidelines in determining the appropriate sentence and stipulate to the following guidelines calculations:

COUNT 4: Conspiracy To Commit Transportation To Engage in Prostitution

a. Base Offense Level. The defendant agrees there were at least five victims transported to engage in prostitution. As to each victim, the parties agree that the base offense level is **14**. U.S.S.G. §§ 1B1.2(d), 2G1.1(a)(2), 2G1.1(d)(1), and 2X1.1(a).

b. Specific Offense Characteristics. The parties agree that the offense level should be increased by **4** levels because the offense involved fraud or coercion. U.S.S.G. § 2G1.1(b)(1). The parties agree that no other specific offense characteristics apply.

c. Chapter 3 Adjustments. The parties agree that the offense level should be increased by **2** levels as the defendant knew or should have known that a victim of the offense was a vulnerable victim. U.S.S.G. § 3A1.1(b)(1). The parties agree that other than acceptance of responsibility, no other Chapter 3 adjustments apply to this Count.

COUNT 6: Conspiracy To Commit Money Laundering

a. Guidelines Range. The parties agree that the base offense level is **18**, which is the offense level for the underlying offense the defendant committed from which the laundered funds were derived. U.S.S.G. §§ 2S1.1(a)(1) and 2X1.1(c).

b. Specific Offense Characteristics. The parties agree that the offense level should be increased by **2** levels because the defendant was convicted under Title 18, United States Code, Section 1956. U.S.S.G. § 2S1.1(b)(2)(B). While the parties acknowledge that the offense involved sophisticated laundering under U.S.S.G. § 2S1.1(b)(3), the parties agree the **2**-level enhancement should not be applied to the defendant because his role in the laundering was not sophisticated or directly tied to the sophisticated laundering means. The parties agree that no other specific offense characteristics apply.

c. Chapter 3 Adjustments. The parties agree other than acceptance of responsibility, no other Chapter 3 adjustments apply to this Count.

Grouping and Other Guidelines Considerations

d. Grouping. Count 6 is grouped with Count 4 pursuant to U.S.S.G. § 3D1.2(c). Because there were at least five victims in Count 4 with conduct equally as serious, a 5-level increase applies. U.S.S.G. § 3D1.4. The resulting offense level is **25**.

e. Acceptance of Responsibility. The government agrees to recommend that the defendant receive a **2**-level reduction for acceptance of responsibility pursuant to U.S.S.G. § 3E1.1(a). As the defendant has timely notified the government of his intention to enter a plea of guilty, the government agrees to recommend that the defendant receive an additional **1**-level reduction pursuant to U.S.S.G. § 3E1.1(b). Whether these reductions will be imposed shall be determined by the Court in its discretion. However, the defendant understands and agrees that the government's recommendations are conditioned upon the following: (1) the defendant testifies truthfully during the change of plea and sentencing hearings; (2) the defendant provides full, complete and truthful information to the United States Probation Office in the pre-sentence investigation; and (3) the defendant engages in no conduct inconsistent with acceptance of responsibility before the time of sentencing. The adjusted offense level is **22**.

f. ~~e.~~ Criminal History Category. The parties believe that, at the time of sentencing, the defendant will fall into Criminal History Category **I**. U.S.S.G. § 4A1.1. This does not constitute a stipulation, but a belief based on an assessment of the information currently known. The defendant's actual criminal history and related status will be determined by the Court based on the information presented in the Presentence Report and by the parties at the time of sentencing. The defendant understands that if the presentence investigation reveals any prior adult or juvenile sentence which should be included within his criminal history under the U.S. Sentencing Guidelines, the defendant will be sentenced based on his true criminal history category, and he will not be permitted to withdraw from this Plea Agreement. U.S.S.G. § 4A1.1.

g. Guidelines Range. If the adjusted offense level is **22**, and the criminal history category is **I**, the Sentencing Guidelines range is **41** to **51** months of imprisonment.

h. Fine Range. If the adjusted offense level is **22**, the Sentencing Guidelines fine range is $15,000 to $150,000. U.S.S.G. § 5E1.2.

i. Supervised Release. The Sentencing Guidelines require a term of supervised release of at least five years up to lifetime supervision. U.S.S.G. § 5D1.2(c).

j. Sentencing Recommendation and Departures. The parties reserve the right to make a motion for departure(s) from the applicable Guidelines range and to oppose any such motion made by the opposing party. The parties reserve the right to argue for a sentence outside the applicable Guidelines range.

7. **Discretion of the Court**. The foregoing stipulations are binding on the parties, but do not bind the Court. The parties understand that the Sentencing Guidelines are advisory and their application is a matter that falls solely within the Court's discretion. The Court may make its own determination regarding the applicable Guidelines factors and the applicable criminal history category. The Court may also depart from the applicable Guidelines range. If the Court determines that the applicable guideline calculations or the defendant's criminal history category is different from that stated above, the parties may not withdraw from this agreement, and the defendant will be sentenced pursuant to the Court's determinations.

8. **Special Assessment.** The Guidelines require payment of a special assessment in the amount of $100 for each felony count of which the defendant is convicted, pursuant to U.S.S.G. § 5E1.3. The defendant agrees that the $200 special assessment is due and payable at the time of sentencing.

9. **Restitution and Disclosure of Assets.** The defendant understands and agrees that the Mandatory Victim Restitution Act, Title 18, United States Code, Section 3663A, applies and that the Court is required to order the defendant to make restitution to the victims of his crimes. The defendant agrees not to oppose the Court's entry of an order that he pay restitution to the United States. The defendant will fully and completely disclose to the United States Attorney's Office the existence and location of any assets in which the defendant has any right, title, or interest. The defendant agrees to assist the United States in identifying, locating, returning, and transferring assets for use in payment of restitution and fines ordered by the Court. The defendant agrees to complete a financial statement fully and truthfully before the date of sentencing.

10. **Forfeiture.** The defendant agrees to forfeit to the United States all property, real or personal, which constitutes or is derived from proceeds traceable to Count 4 of the Superseding Indictment. The defendant also agrees to forfeit any property, real or personal, involved in the commission of Count 6 of the Superseding Indictment and any property traceable thereto.

The defendant agrees to forfeit the following property, which was derived from proceeds traceable to and involved in the commission of Counts 4 and 6:

a. A MacBook Air in the custody of Homeland Security Investigations; and

b. A Samsung Galaxy with IMEI 356567051909834.

The defendant consents to entry of a money judgment forfeiture in the amount of $39,000, and agrees that it was foreseeable to him that the proceeds of Count 4 and the property involved in Count 6 exceeded that amount. The defendant has paid this amount to the United States for forfeiture prior to the date of his plea hearing.

The government reserves its right to seek the direct forfeiture of specific assets and substitute property pursuant to 21 U.S.C. § 853(p).

The defendant waives any defenses or challenges to this forfeiture sanction arising under the Constitution or Fed. R. Crim. P. 32.2 and agrees that he will not contest or challenge in any manner (including direct appeal, habeas corpus, or any other means) such forfeiture on any grounds. The defendant also waives his right to file a petition in any ancillary proceeding for property forfeited from any other defendant in this matter.

11. **Waiver of Trial Right**. The defendant understands that he has the right to persist in a plea of not guilty to the charges against him, and if he

does, he would have the right to a public and speedy trial. The defendant understands that by pleading guilty he surrenders this right.

12. **Waivers of Appeal and Collateral Attack**. The defendant understands that 18 U.S.C. § 3742 affords the defendant the right to appeal the sentence imposed in this case. Acknowledging this right, and in exchange for the concessions made by the United States in this plea agreement, the defendant hereby waives all rights conferred by 18 U.S.C. § 3742 to appeal. In addition, the defendant expressly waives the right to petition under 28 U.S.C. § 2255. However, the waivers noted above shall not apply to a post-conviction collateral attack or direct appeal based on a claim of ineffective assistance of counsel. The defendant has discussed these rights with the defendant's attorney. The defendant understands the rights being waived, and the defendant waives these rights knowingly, intelligently, and voluntarily.

13. **FOIA Requests.** The defendant waives all rights to obtain, directly or through others, information about the investigation and prosecution of this case under the Freedom of Information Act and the Privacy Act of 1974, 5 U.S.C. §§ 552, 552A.

14. **Sex Offender Registration**. Defendant understands that by pleading guilty, the defendant may be required to register as a sex offender upon his release from prison as a condition of his supervised release pursuant to 18 U.S.C. § 3583(d). Defendant also understands that independent of

supervised release, he may be subject to federal and state sex offender registration requirements, and that those requirements may apply throughout his life.

15. **Complete Agreement**. This, along with any agreement signed by the parties before entry of the plea, is the entire agreement and understanding between the United States and the defendant.

GREGORY G. BROOKER
Assistant United States Attorney

Date: May 15, 2017

BY: MELINDA A. WILLIAMS
JULIE E. ALLYN
LAURA M. PROVINZINO
Assistant United States Attorneys

Date: May 15, 2017

ANDREW FLANIGAN
Defendant

Date: May 15, 2017

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